Indian Economy · GS - III

Evaluate the role of women-centric direct benefit transfers in promoting rural economic empowerment, particularly through Self-Help Groups.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 25/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Financial inclusion, women's agency, SHGs, livelihood diversification, fiscal sustainability, DBT accountability

Model Answer

Women-centric direct benefit transfers (DBTs) have emerged as an important instrument of welfare delivery and financial inclusion. When linked with Self-Help Groups (SHGs), they can support women's economic participation beyond immediate household consumption.

Developmental contributions

1. **Financial autonomy:** Direct transfers into women's bank accounts can strengthen control over household resources and financial decision-making.
2. **Livelihood creation:** SHGs can channel financial support towards micro-enterprises, livestock, food processing and other rural activities.
3. **Collective empowerment:** Group-based institutions facilitate savings, credit access, skill development and collective bargaining.
4. **Social inclusion:** Targeted transfers can support economically vulnerable women and improve their participation in local economic activities.

Concerns requiring attention

Cash transfers alone cannot guarantee sustainable livelihoods. Inadequate market access, limited skills, weak infrastructure and dependence on repeated fiscal support may restrict long-term outcomes. Poorly designed schemes can also create overlapping benefits and pressure state finances.

Making transfers transformative

1. Link financial assistance with entrepreneurship training and affordable institutional credit.
2. Strengthen SHG federations, producer groups and market linkages.
3. Evaluate schemes through employment, income growth and enterprise-survival indicators.
4. Ensure transparent beneficiary identification and timely DBT delivery.

Thus, cash transfers should complement, rather than replace, investments in health, education, infrastructure and livelihood institutions. Their success must be measured by sustained improvements in women's economic agency and productive participation.

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